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## **EU-28**

### **Poultry and Products Semi-annual**

#### **EU-28 Broiler Exports in 2017 Impacted by HPAI Outbreaks**

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**Report Highlights:**

EU-28 poultry broiler meat production is expected to increase slightly again in 2017 driven by domestic demand. Consumers have been switching to broiler meat from other types of meat because it is less expensive and because of ease in preparation. In spite of increases in production, EU-28 broiler meat imports are forecast to slightly grow in 2017. EU-28 broiler meat exports in 2017 are expected to decrease significantly due to HPAI related embargoes set by major EU-28 customers such as South Africa and Philippines.

**Commodities:**

Poultry, Meat, Broiler

**DISCLAIMER**

The numbers in the PSDs in this report are not official USDA numbers, but they result from a collaborative effort by FAS EU offices to consolidate PSDs from all 28 EU member states.

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**Production:**

EU-28 broiler meat production in 2017 is now forecast to increase by 1 percent from 2016. It follows a bigger than anticipated 5 percent growth in 2016, driven by significant production increases in Spain and Poland. The 2017 slowdown in production growth is linked to local outbreaks of Highly Pathogenic Avian Influenza (HPAI) in several EU-28 member States, notably Poland, Netherlands, United Kingdom, France and Germany. The HPAI outbreaks are expected to have an indirect but noticeable impact on the production levels as several major export markets are currently closed to broiler meat coming from affected EU-28 countries and/or regions, leading exporting companies to slowdown production. Reduced producers margins due to slightly higher feed costs at the end of 2016 and beginning of 2017, and lower broiler prices in some Member state such as the Netherlands have also a negative impact on production growth.

**Consumption:**

EU-28 domestic consumption of broiler meat is still expected to increase more than total population growth in 2017, indicating a small increase in per-capita consumption. This is due to the switch from other meats to broiler meat, due to the difficult economic situation in the EU-28 region combined with diet changes to leaner and easier to prepare types of meat.

### **Trade:**

After an increase in 2016 driven by the EU-28 internal demand, broiler meat imports are expected to only grow slightly in 2017, due the competitiveness of domestically produced broiler meat and its increased domestic availability linked to HPAI-related restrictions in some export markets. Ukraine is now the third largest supplier of broiler meat to the EU-28. Imports from Ukraine were briefly impacted by HPAI cases in this country in late 2016, but the EU-28 lifted its embargo in mid-January 2017.

EU-28 broiler meat exports in 2017 are expected to decline significantly due to trade embargoes in a few major EU-28 export markets such as South Africa and Philippines following HPAI outbreaks in several EU-28 countries. South Africa banned imports of broiler meat from France, Netherlands, Germany, Poland and United Kingdom. The embargo comes in addition to a 13.9 percent special duty applied to all imports of broiler meat into South Africa from the EU-28 since mid-December 2016.

### **Policy:**

The first infection with the High Pathogenic Avian Influenza (HPAI) virus H5N8, which has developed into an EU-wide epidemic in wild birds was detected in Hungary in October 2016. Since then this HPAI H5N8 virus was also detected in wild birds and in farm flocks in Poland, Croatia, Germany, Austria, Denmark, the Netherlands, Sweden, Finland, France, Romania, Bulgaria, Greece, the United Kingdom, Ireland, the Czech Republic, Slovakia, Italy, Slovenia and Belgium, as well as in Switzerland and Serbia. The European Commission has developed a dedicated [website](#) which features details and maps showing the different outbreaks.

However, as farmers and veterinary services are on high alert and apply strict sanitary measures, the impact on the EU-28 broiler markets (with the caveat of trade embargoes mentioned above) is likely to remain limited. (Note: the situation is different for duck production which has been severely impacted as well as for “free range” eggs production).

### Production, Supply and Demand Data Statistics:

<b>Poultry, Meat, Broiler</b>	<b>2015</b>		<b>2016</b>		<b>2017</b>	
<b>Market Begin Year</b>	<b>Oct 2015</b>		<b>Oct 2016</b>		<b>Oct 2017</b>	
<b>European Union</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Inventory (Reference)</b>	0	0	0	0	0	0
<b>Slaughter (Reference)</b>	0	0	0	0	0	0
<b>Beginning Stocks</b>	0	0	0	0	0	0
<b>Production</b>	10810	10890	11070	11330	11300	11450
<b>Total Imports</b>	728	730	750	770	760	780
<b>Total Supply</b>	11538	11620	11820	12100	12060	12230
<b>Total Exports</b>	1177	1178	1250	1285	1275	1170
<b>Human Consumption</b>	10361	10442	10570	10815	10785	11060
<b>Other Use, Losses</b>	0	0	0	0	0	0
<b>Total Dom. Consumption</b>	10361	10442	10570	10815	10785	11060
<b>Total Use</b>	11538	11620	11820	12100	12060	12230
<b>Ending Stocks</b>	0	0	0	0	0	0
<b>Total Distribution</b>	11538	11620	11820	12100	12060	12230

(MIL HEAD) ,(1000 MT)